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ABBREVIATIONS

AAA	area agency on aging
AOA	Administration on Aging
GAO	General Accounting Office

OCT 9 G 1980

546-D GA1.13:HRD-81-9

BY THE U.S. GENERAL ACCOUNTING OFFICE

Report To The Secretary Of Health And Human Services

COMPLETED ORIGINAL

Continuation Of More Model Projects Could Increase The Delivery Of Services To The Elderly

The Administration on Aging has opportunities to increase the services provided to the elderly with model project funds by selecting for Federal funding more projects which will continue to serve the elderly after Federal funding stops. Although most of the model projects GAO reviewed met the required objectives of expanding or improving services or promoting the well-being of the elderly, less than half continued to serve the elderly after Federal funding stopped. The Administration on Aging could increase the probability of project continuation by revising its project selection procedure to emphasize the need for project continuation.

(19)
HRD-81-9
OCTOBER 23, 1980

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Human Resources
Division

B-197694

The Honorable Patricia Roberts Harris
The Secretary of Health and Human Services

Dear Mrs. Harris:

This report discusses the Administration on Aging's Model Projects Program, and it recommends ways to emphasize project continuation to increase the delivery of services to the elderly. It also substantiates the Administration on Aging's recent action to increase aging network involvement.

We discussed our work with agency officials and have considered their comments in the report. This report contains a recommendation to you on page 11. As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House Committee on Government Operations and the Senate Committee on Governmental Affairs not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We are sending copies of this report to the Director, Office of Management and Budget; the Chairmen of the four above-mentioned Committees; the House Select Committee on Aging, and the Senate Special Committee on Aging; and the Commissioner, Administration on Aging.

Sincerely yours,

Gregory J. Ahart
Director

GENERAL ACCOUNTING OFFICE
REPORT TO THE SECRETARY OF
HEALTH AND HUMAN SERVICES

CONTINUATION OF MORE MODEL PROJECTS COULD INCREASE THE DELIVERY OF SERVICES TO THE ELDERLY

D I G E S T

Given the present structure of the Model Project Program, the Administration on Aging (AOA) has opportunities to increase the services provided the elderly with model project funds. GAO measured the AOA projects it reviewed against AOA's criteria for reviewing and approving model project applications. The projects were generally meeting these criteria, except for the agency's expectations that worthwhile model projects would form a basis for building a continuing program at the model project site after the agency withdrew financial support. Only 40 percent of the projects continued after AOA withdrew model project funding.

When worthwhile projects continued to provide services with funds from other sources, the additional funds were substantially greater than the agency's original model project investments. For example, at the time of GAO's review, model projects that had continued (27 of 69 projects, see pp. 7 and 8) had generated more than $13 million in continuation funding, or about $1.86 for each model project dollar invested. These projects continued to deliver social services to thousands of elderly persons.

The agency could increase the probability of projects continuing to serve the elderly by revising its project selection procedure to emphasize the need for project continuation and by strengthening State and area agency participation in the projects. GAO believes that AOA can achieve its other program objectives, such as demonstrating approaches to new or improved services, and also emphasize project continuation.

Tear Sheet. Upon removal, the report cover date should be noted hereon.

In August 1980, AOA issued guidelines limiting applications for model projects to State and area agencies on aging. This action should increase the involvement of the aging agencies' network and the probability that model projects will continue after the initial funding period.

RECOMMENDATION

To ensure that a greater share of model project funds are used on projects that, in addition to expanding or improving services, have the potential to continue to serve the elderly after AOA withdraws model project funds, the Secretary of Health and Human Services should direct the Commissioner of AOA to modify the selection process by placing more emphasis on project continuation.

CHAPTER 1

INTRODUCTION

This report discusses how the Department of Health and Human Services' Administration on Aging (AOA) has managed the Model Projects on Aging Program and whether the program objectives are being met.

The Model Projects on Aging Program is designed to provide demonstration grants to test and initiate new service approaches which will expand or improve services to the elderly.

THE ADMINISTRATION ON AGING

The Older Americans Act of 1965 (Public Law 89-73), as amended, established AOA to serve as the Federal focal point and advocate for the Nation's elderly. AOA manages training, research, and demonstration programs and promotes and helps develop State-administered, community-based systems of comprehensive services for the elderly. A major AOA service program is title III--covering grants to States for social service delivery.

Between fiscal years 1974 and 1980, AOA received about $2.9 billion for elderly programs. Annual funding has increased from $218 million in 1974 to $652 million in 1980.

HOW THE AGING NETWORK COORDINATES SERVICES FOR THE ELDERLY

The 1973 amendments to the Older Americans Act (Public Law 93-29) strengthened the existing State agencies on aging and provided for area agencies on aging (AAAs) where such agencies would provide more effective attention to the needs of older persons. This "network" of State and area agencies on aging is responsible for planning and coordinating comprehensive services for the elderly at the local level. As of June 1980, there were 57 State agencies on aging 1/ and 586 AAAs.

1/Includes all States plus American Samoa, Guam, Puerto Rico, the Trust Territory of the Pacific Islands, the Virgin Islands, the Northern Marianas, and the District of Columbia.

The aging network receives title III funds to plan and coordinate social services. AOA awards title III formula grants annually to each State with an approved services plan. These funds may be used to support a wide range of service programs including nutrition, transportation, in-home services, and access to these and other services.

THE MODEL PROJECTS PROGRAM

The 1973 amendments to the Older Americans Act replaced the old Areawide Model Projects Program with the Model Projects on Aging Program in section 308 of title III. This program was funded under title III separately from AOA's research and development activities, which were funded under title IV. The act's objectives were that model projects expand or improve social services or otherwise promote the well-being of the elderly. To do this, AOA emphasized the need for model projects to build on previous research or significant experience. Between fiscal years 1974 and 1980, AOA funding for the Model Projects Program has totaled $110 million.

AOA funded two types of model projects. Projects that were competitively selected through solicitation of interested applicants--which we called "regular model projects"--were usually funded in yearly increments for 1 to 3 years. The AOA Commissioner also funded "special initiative projects." These projects usually were not competitively selected and often had no limit on the number of years funded. The remainder of this report discusses only the regular model projects.

The following table summarizes AOA funding for all regular model projects for fiscal years 1974-78.

Fiscal year	Total model project funding	Regular model project funding
	(millions)	
1974	$16.0	$15.8
1975	8.0	6.7
1976 (note a)	16.3	12.1
1977	14.7	9.1
1978	15.0	9.5
	b/$70.0	b/$53.2

a/Includes the transition quarter.

b/The difference of $16.8 million represents funding for the special initiative projects not included in our review.

The 1978 amendments to the Older Americans Act shifted the funding authority for regular model projects from title III to title IV, under a new section 421 for demonstration projects, but did not change the program's overall purpose.

Chapter 3 discusses the scope and methodology of our review.

CHAPTER 2

AOA CAN SUBSTANTIALLY INCREASE SERVICES TO THE ELDERLY BY EMPHASIZING THE NEED TO CONTINUE SERVICES FUNDED UNDER THE MODEL PROJECTS PROGRAM

AOA has opportunities to better serve the elderly with model project funds. Although most of the projects we reviewed met the agencies' and legislative objectives of expanding or improving social services or promoting the well-being of the elderly, only 40 percent continued to serve the elderly after AOA funding stopped. AOA could increase the probability of projects continuing to serve the elderly by revising its project selection procedure to give more emphasis to project continuation and by strengthening State and area agency participation in the projects.

MODEL PROJECTS PROGRAM OBJECTIVES

The Older Americans Act and agency regulations broadly state the objectives of the Model Projects Program, giving AOA considerable discretion in selecting projects with potential benefit for the elderly.

Section 308(a) of the Older Americans Act, as amended, 1/ authorizes the Commissioner to make grants for model projects "which will expand or improve social services or otherwise promote the well-being of older persons." AOA information statements implementing this broad mandate contain the general requirements that model projects test and demonstrate how new programs, systems, or approaches can be used promptly, effectively, and efficiently. AOA's information statements also point out that model projects should support those activities that build on previous research or significant experience, give evidence of potential for success, and relate directly to the needs of the Nation.

1/The 1978 amendments to the act moved model projects to section 421(a). The program's purpose remained essentially the same.

We measured model projects against the basic legislative objective stated above and against the criteria AOA used to review and approve model project applications. Generally, these criteria help AOA determine whether the project appears feasible and the applicant capable of carrying it through to completion, whether it will address a priority service area, and whether it could form a basis for building a continuing program and providing a model that others can adapt to their own use.

PROJECTS MET MAJOR AOA OBJECTIVES, BUT FREQUENTLY DID NOT CONTINUE SERVICES AFTER AOA WITHDREW MODEL PROJECT FUNDS

All the model projects we reviewed were designed to further AOA's overall objective: to "expand or improve social services or otherwise promote the well-being of older persons." However, AOA approval criteria emphasized objectives other than whether the project would be continued at the end of the model project funding. Following its criteria, AOA funded many model projects that did not obtain funding to continue the services after AOA withdrew model project funds. Over 60 percent of the projects reviewed in six States (42 out of 69) did not continue providing services funded under the Model Projects Program after AOA funding stopped. There were a number of reasons for projects not continuing. In about 40 percent of the cases (17 of 42), the projects were designed to evaluate and report on some new concept rather than provide a service. For the other cases (25), AOA funded (1) new projects that did provide a service, but had not developed funding sources when the model project funds ran out and (2) activities that were ongoing or started with other funding and had lost their source of funding. The following examples represent model projects that were funded, but did not result in a continuing service for the elderly after AOA funding stopped.

--A research company comprised of faculty from the University of Pittsburgh received $39,087 to conduct a one-time study of four AAAs. The model project application stated that research activities would include (1) evaluating the AAA concept, (2) analyzing unique and successful service components, and (3) documenting successful methods of operation. The researchers completed the study and prepared a report on their findings. Because of the nature of this project, no services were continued, nor would they be expected to be.

--Latrobe Area Hospital in Latrobe, Pennsylvania, received $12,000 to finance the one-time training of an administrative staff for a new home health care agency. The application clearly stated that this training was the project's sole purpose. When the training was completed, the project ended.

--The Ida-Ore Regional Planning and Development Association in Idaho received $19,209 to establish a health screening and health education program for the elderly at several nutrition meal sites. The project demonstrated the value of the services by identifying and correcting deficiencies in the diets of elderly persons. When the model project period ended, the grantee did not obtain funding from other sources and abandoned the health screening and education services.

MODEL PROJECTS THAT ARE PROVIDING MORE SERVICES TO THE ELDERLY

The 27 continued projects we reviewed demonstrate how the elderly can benefit when services provided through the Model Projects Program are continued. These 27 projects received $7,040,456 in model project funds. At the time of our review, they had continued after AOA funding stopped with more than $13 million from other sources, or about $1.86 for each model project dollar.

The following examples illustrate the benefits to the elderly when services were continued with other funding.

--In 1974, Western State Hospital in Fort Steilacoom, Washington, received $43,384 for a 1-year demonstration of day-care services for older persons. After the demonstration ended, the day-care center was continued with other funding. Between 1975 and 1979, the hospital spent about $474,000 to provide day-care to hundreds of elderly persons, a service the agency was still providing at the time of our review.

--Beginning in 1975 the city of Portland, Oregon, received $240,000 as partial funding for a model project by the local transportation authority. The project was to develop a specialized transportation service for elderly persons and others with limited mobility. When the model project period ended in 1979, the local

transportation authority obtained Federal, State, and local funds to continue these services to thousands of eligible riders. The estimated funding for these services in the first year after the model project period was over $517,000.

--In 1976 the AAA in Reading, Pennsylvania, received $75,000 in model project funds to develop a countywide coordinated home care system for the elderly. After the model project period ended, the system continued as an integral part of the agency operations. From 1977 to 1979, an estimated $347,100 in Federal, State, and local funds were used to administer the system.

AOA SHOULD PLACE MORE IMPORTANCE ON THE NEED FOR SERVICES TO CONTINUE

More services provided under the Model Projects Program could continue, if AOA revised its project selection practices, to place more emphasis on the importance of project continuation. One way to help ensure that a proposed model project had reasonably good prospects of continued funding would be to require that they be endorsed by State and area agencies. These agencies are responsible for the coordination of funding for local projects.

AOA should select projects that are more likely to continue providing services

AOA's review and selection criteria did not emphasize continuation of projects because AOA officials considered continuation to be less important than demonstrating important concepts and reporting results. Thus, when reviewing and selecting model project applications, AOA placed little weight on plans to continue providing services.

AOA's review and selection process emphasized designated priority service areas and capabilities of the applicant and placed less importance on the need to obtain continued funding for services. As shown in the following table--AOA's application review scoring system allowed only 5 of a possible 100 points for continuation.

Criteria	Maximum points
Priority service area and population	25
Feasibility of project and capability of applicant	60
Potential for replication	10
Plans for continuance of services	5
Total	100

The special assistant to the Commissioner of AOA elaborated on AOA's view of continuation as follows:

> "The primary measure of success for an AOA Model Project is that an important concept relevant to the needs of older people has been demonstrated in a service setting, and the results have been documented and are available to persons working on related needs of the elderly."
>
> "* * * continuation after the demonstration grant is a desirable, but secondary consideration * * *."

By not placing more emphasis on the need for modeled services to continue, AOA loses an excellent opportunity to improve the well-being of the elderly. As shown by the projects that continued to provide services, AOA can accomplish its other objectives, such as demonstrating approaches to new or improved services or documenting results and making them available to persons working on related needs of the elderly, and place increased emphasis on project continuation.

It should be noted that AOA received several hundred applications each year, and it had to screen them to find those having the greatest potential to improve the well-being of the elderly. For example, in fiscal year 1976 AOA received about 500 model project applications and made awards to 170 grantees. In fiscal year 1977 AOA received about 700 applications and made awards to 67 grantees. Thus, it would seem feasible to increase the emphasis on continuation of providing services and still select worthwhile projects.

Model projects included in State and area agency funding priorities have better chance of continuation

State and area agencies were a prime source of continued funding for services that were compatible with the agencies' priorities. Under existing review procedures, however, AOA had funded projects without assuring compatibility with State and area agency funding priorities.

The procedures in use when the model projects we reviewed were approved contemplated that model project applicants would send their applications directly to AOA. Because State and area agencies were not in the application cycle, there was no established mechanism for project applicants to assure that the priority and scope of the projects were of interest to State and area agencies. AOA involved State and area agencies, unless they were the grantee, by allowing them the option to review and comment on project applications. However, this process has not worked well.

Officials in three of the States visited said they did not always receive model project applications submitted from their areas because the applicants did not send them copies. Officials in one State said that, even when they provided negative comments on an application, AOA ignored them and funded the project anyway.

Our work indicates that State and area agency involvement and commitment are important if the model project services are to continue when the project period ends. Seventeen of the 27 projects that continued received part or all of their continuation funding through State or area agencies. For 16 of these 17 projects, the project grantee was a State or area agency.

The Congress established the link between the aging network and the availability of funding for aging services. The Older Americans Act requires AAAs to prepare an area plan which will, among other things, provide for

--establishing a comprehensive and coordinated system to deliver social services within the planning and service area covered by the plan, including determining the need and priority for social services in such an area and

--initiating, expanding, or improving social services in the planning and service area covered by the plan.

These area agency responsibilities are nearly identical to the model project legislative mandate to "* * * expand or improve social services or otherwise promote the well-being of older persons." These provisions link a strong network role with model project success.

State and area agency officials and model project directors confirmed the importance of close cooperation between the network and the grantee. For example, in Washington State the director of the Office on Aging said services are more likely to be continued when the State aging network is involved in the model project. The administrator of the Oregon Office of Elderly Affairs said the network has to plan ahead how it will spend direct service money. He said that, if the network is not involved during a model project, it cannot include project services in its funding plan when the model project period ends.

The Commissioner has acknowledged the need for more network involvement in model projects. In 1978 AOA tightened the application procedure so that applicants must either show how they will collaborate with the State and/or AAA or say why they will not collaborate with these agencies. In addition, the 1978 information statement states that applications risk rejection by AOA if applicants do not provide a copy to the appropriate State agency on aging for review and comment.

Recent agency action

AOA issued new grant application guidelines for the Model Projects Program in August 1980. Competition under these guidelines is limited to applications from State and AAAs. These agencies are expected to collaborate with other State agencies, colleges, and appropriate private nonprofit agencies in developing and implementing their proposals. The special assistant to the Commissioner of AOA said that the Commissioner is concerned about aging network involvement in model projects and the restriction on model project awards for fiscal year 1980 is an attempt to emphasize the importance of such involvement. He also stated that the Commissioner may continue this practice, at least in part, probably by reserving a portion of future model project funds for State and area agencies.

CONCLUSIONS

AOA has opportunities to improve the well-being of the elderly by selecting more projects that continue to serve the elderly after AOA Model Projects Program funding ends. Because there is an abundance of applications to choose from, AOA, when reviewing and selecting project applications, should place more emphasis on the need for grantees to continue providing services. Also, the new application guidelines issued in August 1980 limiting applications to State and AAAs should increase the involvement of the aging network in the decisionmaking process on the model projects to be funded. This should increase the probability that the model projects funded will continue after the AOA funding period.

AOA can achieve its other program objectives and also emphasize project continuation. Emphasizing project continuation would increase the likelihood that the elderly will continue to receive benefits from worthwhile projects. In addition, grantees' continuing to provide services would tend to indicate the worthiness of model projects and would be more convincing evidence of the desirability of replication than simply reporting findings on projects that stopped providing services when AOA funding ended.

RECOMMENDATION

To ensure that a greater share of model project funds are used on projects that, in addition to expanding or improving services, have the potential to continue to serve the elderly after AOA withdraws model project funds, we recommend that the Secretary of Health and Human Services direct the Commissioner of AOA to modify the selection process by placing more emphasis on project continuation.

We believe AOA's cost to implement this recommendation would be minimal as only minor administrative matters are involved. Benefits for the elderly, however, could be substantial. When agencies continue to provide services with funds from other sources, the elderly receive lasting benefits from model projects.

CHAPTER 3

OBJECTIVES, SCOPE, AND METHODOLOGY

We made our review of the AOA Model Projects Program between October 1978 and November 1979. We reviewed projects funded from fiscal year 1974, the first full year of the program, through fiscal year 1978. The review included fieldwork at project grantees, State agencies on aging, and AOA headquarters in Washington, D.C.

We selected Alaska, Idaho, Oregon, and Washington to review all the model projects in one Federal region; we also included New York and Pennsylvania because these States have the largest elderly populations in the Northeast. Because AOA has not maintained a list accounting for all projects funded with each year's model project appropriation, we compiled our own list using "Aging Magazine" and AOA's annual reports. We identified 87 model projects in the six States and confirmed the accuracy of the list in each State visited.

We analyzed 69 of the 87 model projects. We excluded 18 projects because 14 had not started or were still ongoing when we completed our fieldwork; 2 were not considered worthwhile and were terminated by AOA, the State, or the grantee; and 2 had insufficient information available, because we could not locate the grantees or project records. The 69 projects that we analyzed represented about 10 percent of the model projects funded during the review period. These projects received $10,086,824 in model project funds, or about 19 percent of the $53.2 million spent on all regular model projects during this period.

In evaluating model projects, we reviewed key documents to determine what the grantees set out to accomplish, how the elderly benefited from the projects, and whether services continued after the project periods ended. We also interviewed project directors to corroborate this information and discussed our findings with appropriate AAA and State agency personnel.

The approved applications, progress reports, and final reports told us whether the model projects actually provided the services for the elderly, how the elderly benefited from the services, and whether the services were provided before AOA funded the projects. AOA's notice of grant awards and award letters specified any special conditions or requirements

that AOA placed on the grantees. The financial statements showed how the grantees spent model project funds and provided evidence of other funding the grantees obtained to continue services after the model project periods ended. We discussed this information with the project directors to obtain their views on the projects and to obtain their reactions to our analysis. Finally, we had a similar exchange with State and AAA officials during an exit conference after completing work in each State.

Much of our work involved determining whether agencies continued to provide services after the model project periods ended. We determined that continuation occurred when the (1) grantees or other agencies had not provided the services before AOA funded the projects and (2) grantees obtained funds from other sources to continue the services after the project periods ended. For example, if AOA funded a model project to initiate day-care services for the elderly and, after the project period ended, the grantee obtained State funds to continue providing the services, we concluded that the project continued.

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